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Finance, Planning and Facilities Committee, February 26, 2015

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**Minutes
Coastal Carolina University
Board of Trustees**

**Finance, Planning & Facilities Committee
E. Craig Wall Sr. School of Business Administration Building, Boardroom
February 26, 2015**

Members of the Committee Present:	Ms. Natasha M. Hanna, Mr. Carlos C. Johnson, Mr. Charles E. Lewis, Dr. Oran P. Smith, Mr. Eugene C. Spivey, Mr. H. Delan Stevens and Mr. William E. Turner III
Other Board Members Present:	Mr. William S. Biggs, Mr. Fred F. DuBard III, Mr. Samuel H. Frink, Mr. D. Wyatt Henderson, Mr. Marion B. Lee, Mr. Daniel W. R. Moore, Sr. and Mr. George E. Mullen.
Members not Present:	Mr. Samuel J. Swad
Others Present:	Ms. Sandra Baldrige-Adrian, Ms. Carolyn Bender , Ms. Stacie A. Bowie, Ms. Susan Butcher, Dr. J. Ralph Byington, Dr. Debbie C. Conner, Dr. David A. DeCenzo, Mr. Matt Hogue, Ms. Martha S. Hunn, Mr. Chris Johnson, Mr. Timothy E. Meacham, Mr. Rein Mungo, Ms. Jennifer Packard, Mr. William M. Plate Jr., Mr. Daniel Rabon, Ms. Sharon Sluys, Ms. V. Chyrel Stalvey, Mr. Greg Thompson and Ms. Wendy Watts

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda of the meeting. Charles Perry from the Sun News was in attendance.)

Chairman Carlos Johnson brought the committee to order at 3:47 p.m.

Will Turner moved to approve the October 23, 2014 minutes. Natasha Hanna seconded and the motion passed.

Johnson made a motion requesting approval of renewal of one-year lease with the Coastal Educational Foundation of the Athletic Parcel, approximately 25.89 acres, at \$80,000 per year (Motion 15-01). Oran Smith seconded and the motion passed.

Gene Spivey made a motion to request approval of the following leases with the Coastal Educational Foundation. Seconds on each motion were made by Turner and the motions were approved.

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- **Request approval of renewal of one-year lease for the University Housing Parcel, approximately 16.66 acres, at \$50,000 per year (Motion 15-02).**
- **Request approval of renewal of one-year lease of the Wheelwright Auditorium/University Boulevard Parcel, approximately 7.97 acres, at \$25,000 per year (Motion 15-03).**
- **Request approval of renewal of one-year lease of the Academic Core Parcel, approximately 22.16 acres, at \$65,000 per year (Motion 15-04).**
- **Request approval of renewal of one-year lease for the soccer field and surrounding area (Parcel 31) at \$24,000 per year (Motion 15-05).**
- **Request approval of renewal of one-year lease of the parking lot area and greenspace located on University Blvd. between Baxley Hall and Highway 501 at \$24,000 per year (Motion 15-06).**

Spivey moved to request approval of renewal of one-year lease with the Horry County Higher Education Commission of the Burroughs and Chapin Center for Marine and Wetland Studies at \$1.00 per year (Motion 15-07). Turner seconded and the motion passed.

Johnson presented a motion to request approval to increase both in-state and out-of-state undergraduate tuition effective Fall 2015 up to the percentage recommended by the S.C. State Legislature (Motion 15-08). The motion was tabled. Upon receipt of letter of recommendation from the state, with respect to the percentile increase, a special meeting/teleconference will be called for the BOT to determine increase, if any.

Smith made a motion to request an increase to the approved budget of the Smith Science Building renovation, not to exceed \$650K (10% of original project), to allow for exterior architectural renovations to match the new science complex building (Motion 15-09).

Stacie Bowie indicated that the University can transfer funds from another project and/or contingency funds and will not have to go to Columbia for approval. It can be staff approved. The façade will be updated to blend in more with the other buildings and the court yard. Wyatt Henderson said the Board will be unwilling to make any additional increases on this building. **Turner seconded and the motion passed.**

Bowie then discussed the 2015 Bond Issue results and gave an update on the University Place (UP) acquisition. The first A1 to the state to purchase the property was done on June 30, 2014. The Student Housing Foundation (SHF) has been very receptive to the idea of the University purchasing UP and that they have been wonderful to work with. Two trips have been made to Columbia for the bond issue, four trips to Columbia for the purchase, and have had nine sets of approvals from the state in order to accomplish this. \$87M par value of bonds was issued. Closing of those bonds was actually this morning at 10:00 a.m. The purchase price of UP is \$88.2M.

Moody issued a rating of A+ and Fitch issued a rating of A1. Wells Fargo ultimately purchased the bonds at a rate of 3.549%. This added up to a gross savings of almost \$25M and that is the difference between the amount that the SHF was paying in debt services and the amount that the

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University is paying on debt service, a savings of almost \$950K per year going back into the housing budget. Therefore, there will be no housing rate increases in the foreseeable future. Henderson expressed appreciation to Bowie and her staff for their work. It was a long process but a great savings for our students. We will not have to keep additional funds in reserve and can use the savings to update the housing.

President David DeCenzo also expressed his appreciation to Bowie and to Chairman Henderson for his leadership in bringing this forward.

Capital Projects Updates - Currently \$187M under construction

Completed projects include:

- Lib Jackson Student Union
- Tennis Complex
- Food Service Catering Facility
- Phase I of Springs Brooks Stadium

Incomplete projects include:

- Phase II of the Baseball Complex is still under construction (the berm and the boardwalk are yet to be completed)
- Field Turf projected to be complete mid April
- Science annex II - \$30M; under construction and ahead of schedule (estimated completion-April 2016)
- Academic Classroom Building II - \$18M; 52,000 sq. ft.; scheduled to break ground January 2016 and will be finished in January 2017.
- New Student Housing Complex - \$85M budget; on schedule with first two large buildings that are made up of six individual buildings connected by walkways. First two sets of buildings will be completed for Fall 2015 and the next two for Fall 2016
- Atheneum Hall Renovations – \$3M; almost completed. Still requires seismic testing and final inspection
- Singleton Building Renovation – moving out process has begun; to be completed July 2016
- The second phase of the Student Union will begin after the Academic Classroom Building when sales tax money is received.

DeCenzo noted CCU continues to be recognized at Senate Finance and Joint Bond Review is the University's deferred maintenance program. It has been constantly referenced publicly that CCU has probably the best deferred maintenance program in the state. In fact, other institutions have been told to contact Coastal and learn how CCU does it.

2014-2015 Financial Update:

- \$3.6M additional revenue generated due to increase in number of students
- Appropriations are \$9.62M and almost \$500K in nonrecurring
- Total revenue \$136.4M
- Expenses have increased \$1.6M due to increase in number of students
- Contingency is at 2.0% (\$2.7M)

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IT Wireless Update: An external company was hired to perform a wireless survey and based on that information, wireless needs were put in priority order. Wireless upgrade was done first in campus housing, both on the main campus and UP. Second were public areas where students congregate, which included the library, CINO, Hicks, and the Student Union. Next were academic buildings. Every main academic building has been updated with wireless. The final area currently being worked on is the outdoor areas--Prince Lawn and Blanton Park. The state has given permission to update or possibly replace the cell tower located on athletic property. For a fee, additional carriers will have the ability to put their service on that tower. As a result, not only will the University have its own wireless infrastructure, but people will also be able to access their own wireless network through their telephone and mobile carrier.

The University had one gig and has now done an upgrade to two gigs. Bandwidth usage continues to grow and, on average, college students bring five devices with them. CCU is proactively putting network devices into buildings to allow the University to go up to five gigs.

IT has a five-year strategic plan and has also put into place a University Technology Council, which brings together leadership of the University to talk about IT. These include any major projects, review of any kind of software that may be implemented or that a particular department wants to implement. There are security factors that need to be taken into consideration and there may be compatibility issues.

Finally, IT is working on an e-forms project so that all departments/forms can be interfaced with Datatel.

As there was no further business, the meeting adjourned.

Respectfully submitted,

Susan Butcher

Susan Butcher
for Mr. Charles Lewis